

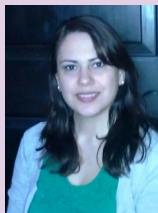
Ward 6 Staff



Steve Kozachik



Ann Charles



Diana Amado



Molly Thrasher



Amy Stabler



Evelyn Romero



Ward 6 - Newsletter

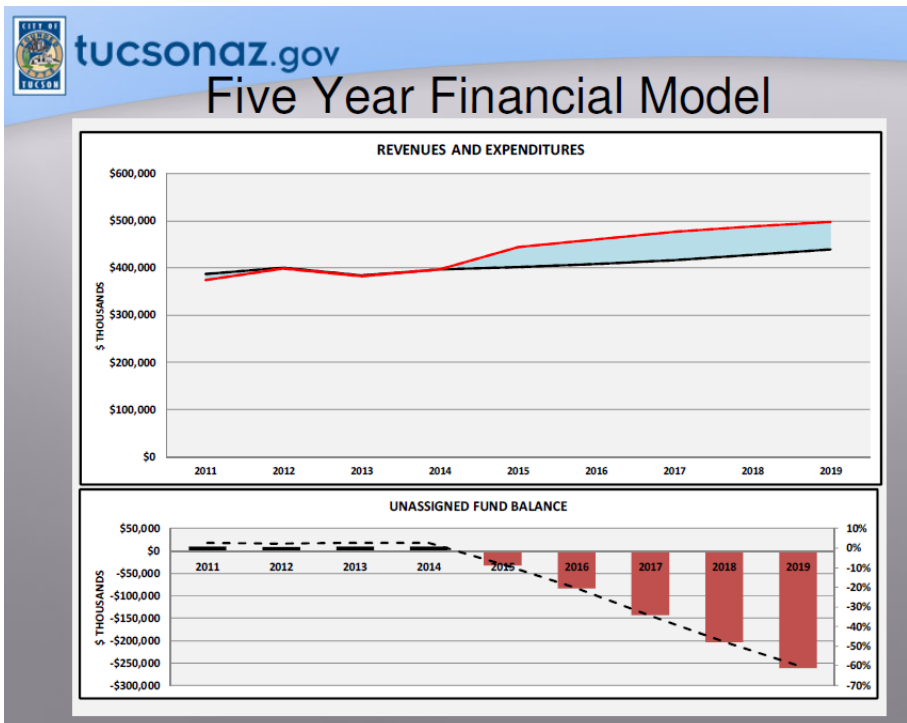
Tucson First

December 3, 2013

Employee Compensation Increases

Before giving raises, we should know our true cost position. The City Manager's office acknowledged as much during their recent rounds to M&C offices. Some of what was included in their draft Power Point is:

- Loss of \$8M in unassigned fund balance between fy'12 and fy'13 – that's our rainy day fund.
- Fund balance is 10% below our own stated policy of having 2 months' reserves – we've got less than one month in the bank in case of emergency.
- Unassigned fund balance is projected to be a deficit of \$30M in fy'15, a deficit of \$80M in fy'16, and a deficit of nearly \$150M by fy'17. It falls off the table from there. (Here's a chart that graphically shows what that looks like)





Important Phone Numbers

Tucson Police
Department

911 or 791-4444
nonemergency

Mayor & Council
Comment Line

791-4700

Neighborhood
Resources

791-4605

Park Wise

791-5071

Water Issues

791-3242

Pima County Animal
Control

243-5900

Street Maintenance
791-3154

Planning and
Development
Services 791-5550

Southwest Gas
889-1888

Gas Emergency/
Gas Leaks

889-1888

West Nile Virus

Hotline

243-7999

Environment
Service

791-3171

Graffiti Removal
792-2489

AZ Game & Fish
628-5376

Continued: A Message From Steve

- d) Frame #7 of the Power Point – “Short-Term Fixes Will No Longer Work!”
e) Frame #8 of the Power Point – “For the long-term, there are only two basic options to change our fiscal challenge”:

- 1) Increase revenues
- 2) Reduce expenditures via service level cuts and/or reduce employee compensation

Review of compensation and benefit packages may need to play a role but after all other expenditure cuts have been put into place.

- f) Frame #9 of the Power Point – a list of how we will have to adapt to our new normal includes (bullet point #3) **“reshape the City workforce so it is smaller, better trained and better paid”.**

...and so the question becomes, has staff identified the workers we'll be laying off in order to reach that smaller, better paid workforce after having given them a pay increase? What was very troubling at the study session was that staff confirmed that they had not delivered the information contained in the power point to our workers before asking whether or not they agreed with the City Manager's recommended pay raise. You need all of the information before making a decision like this one.

Here are some of the cost items we will be facing starting next year:

Potential Significant New Expenditures/Revenue Reductions in Fiscal Year 2015 Dollar Amounts to be Determined in the Fiscal Year 2015 Budget Process

Net increase for TPD DROP payouts and transition of officers from COPS hiring grant

Net increase for TFD DROP payouts and recruit class for replacement firefighters (we know the combined # for these two is bumping \$4M)

Increase of COPs debt service annual payment (this is for a \$13M funding gap in the streetcar construction - \$700K annually)

Increase debt service and operations and maintenance costs for SunLink (we don't know these costs – some say it'll be zero. I'm thinking more in the \$2M annually range)

Increase retiree medical due to end of federal grant (estimated at just over \$1M annually)

Increase costs for PCWIN (full year cost, likely in the \$2M annually range)

Increase of employer paid pension costs (next year it'll be \$5M. It will vary from that point on.)



Important Phone Numbers

Senator John
McCain (R)
520-670-6334

Senator Jeff
Flake (R)
520-575-8633

Congressman
Ron Barber (D)
(2nd District)
520-881-3588

Congressman
Raul Grijalva (D)
(3th District)
520-622-6788

Governor Janice
Brewer (R)
Governor of Arizona
602-542-4331

Toll free:
1-800-253-0883

State Legislators

Toll Free
Telephone:
1-800-352-8404

Internet:
www.azleg.gov

Mayor Jonathan
Rothschild
791-4201

City Infoguide
[http://
cms3.tucsonaz.gov/
infoguide](http://cms3.tucsonaz.gov/infoguide)

Increase of workers' compensation and public liability

Increase in employer paid medical insurance costs (we don't know these costs – or worker's comp/public liability – they'll fluctuate – and won't be insignificant)

Items deferred in prior years: vehicle replacement, maintenance and repair of city assets, insurance fund surcharge, and certificates of participation payments (see partial list below - \$1B in deferred needs)

Loss of tax revenue due to construction sales tax (estimated at \$1.6M)

Last budget cycle we were given cost estimates for many of those items. If those numbers weren't for real, they shouldn't have been given to us. If they were real then, then they should have been included in this compensation discussion.

Also last budget cycle we planned \$2.3M for land sales and \$600K in increases in transit fares – both for this fiscal year, and neither of which have happened, and won't. On Monday we put into place the start of negotiating a \$1.5M land sale. We can only hope it's done to help out this fiscal year.

And here are a few of the unmet/deferred needs list that is in the hundreds of millions of dollars worth of projects. Those include things such as:

- FY 2015 City Election Ballot Software Replacement - \$685,000
- FY 2015 Department of Justice ADA Compliance - \$16,919,200
- FY 2015 Replace Cash Collections Software - \$550,000
- FY 2015 Replace HVAC System - TCC Arena - \$3,000,000
- FY 2015 Replace Mission Critical Optical Fiber Cable - \$16,000,000
- Total Parks and Recreation capital needs - \$119,976,582
- FY 2019 New Communications Center-Construction Phase - \$35,000,000
- FY 2015 Tucson Stormwater Mgmt System Program - \$90,000,000
- FY 2015 Major Street Sidewalks Program - \$30,000,000
- FY 2015 Major Streets Street Lighting Program - \$10,000,000
- FY 2015 Residential Street Sidewalks Program - \$10,000,000
- FY 2015 Cardiac Monitors - \$1,278,000
- And... to make it a Baker's dozen:
- FY 2015 Apparatus/Medic/Fleet Replacement Program (2015 - 2024) - \$48,000,000

We just spent over \$5M on six months' worth of raises. The cost for a fully equipped police patrol vehicle is approximately \$46,000. That means we could have purchased 100 of them. Instead, last year we moth-balled 40 police vehicles, and right now we have over 30% of our patrol cars with in excess of 100,000 miles on them.

The police could use computers, vehicles, specialty weapons, ammunition, and vests. Each of those plays a vital part in the protection of our officers, and the general public as well. Our police chief called them "critical needs".

On the Fire Department side, a fully equipped paramedic unit costs about \$270K. The

standard useful life for one of those is about 100,000 miles. By 2014, 87% of our paramedic fleet will be over that number of miles, and 27% will be over 150,000 miles. Of course that triggers high repair costs due to increases in major component failures (engines/transmissions) and reduced reliability during emergency conditions. To maintain the reliability on our paramedic fleet and keep the at-replacement age and miles near our target, we need to purchase 2-3 paramedic units each year. We haven't done that for years.

And for personal protective equipment Firefighters need, their structural firefighting turn-out gear has an operational life of 5 years. To maintain our replacement plan, we need to purchase 115 sets per year at a cost of \$276K. We don't, and that puts our workers at a safety risk. Safety equipment also includes things such as fire hose, "Jaws of Life", saws, nozzles, safety vests, ladders, cardiac monitors, and paramedic gurneys. Fire's replacement budget is the only discretionary money the department has to cover other budgetary gaps such as increases in pension costs and unexpected capital cost at the communication center. In FY14 the department had to reallocate about 45% of their equipment replacement budget to cover unexpected mandates.

Do our workers deserve raises? Of course. Do we have the money? Well, the lists above indicate that our priorities have been to push off some pretty mission critical needs for far too long. And the raises we just approved will be skewed towards areas in which some of our highest paid workers reside.

I felt the fiscally responsible thing to do was to support our return to a structurally balanced budget, get a start on some of the other capital needs that impact the safety of our workers and the general public, and not take the leap of faith that somehow (unknown to our finance people) we'll avoid cutting workers and/or services next fiscal year. Even without these raises that's going to be a challenge. Having added the cost of the compensation increases, we only dug that hole deeper.

We have been told by our bond agents that we have to get to a structurally balanced budget or our bond rating will suffer. That'll increase the cost of borrowing – which is inevitable if we're going to tackle our unmet needs. Our finance people told me that doing these pay increases would likely be viewed in a negative way by the bond people. It would have been nice to have them repeat that concern in public on Monday, just so everyone in the room was singing from the same sheet of music when we voted. Instead the answer was muffled and non-committal.

In this case, the first law of City debt is also the first law of holes – that is, when in one, stop digging.

Port of Guaymas

As I've noted before, one of our aces in the hole is developing our trade relationship with Mexico.

And now there's a multi-million dollar investment in the works that will more than double the capacity of their deep water seaport. Within two years there'll be an additional nine docks, all built to support ocean haulers that may carry everything from commodities to durable goods and autos. Last week officials from Guaymas made a presentation to



business and some of our political folks here in the Tucson region and were encouraging increased cooperation between us and them.

We're fools if we don't capitalize on this opportunity. The City and PAG are on it.

In neighboring City Empalme, there's a trade zone that will have both conveyor access to the seaport as well as rail access to the northbound tracks – tracks that

lead to Arizona. The port is projected to move 8 million tons of cargo this year. The expansion will give the capacity for more than 30 million tons. That means tens of thousands of jobs there, and here.

Note: both Texas and California are also potential players. But while they don't have an SB1070 hanging from their necks, we at the City of Tucson took a strong anti-1070 position nearly 3 years ago. That word got out into the Mexican political and commercial circles, so we can still engage. I've asked for a meeting with the Mayor and our City Manager's international development staff to talk about how we're approaching this. Aggressively is the only answer that should be coming out of that meeting.

Film Update

Last week my staff and I took a trip out to Old Tucson and spent several hours on the set of *Hot Bath/Stiff Drink* while they were shooting. As you'll recall, this is the sequel to the show they cut here in January. On the day we were out there, they had 87 'extras' hired to take part in the on-screen activity. They also had pre-production crew, camera operators, directors and assistant directors, editors, art crew, wardrobe, catering, set design, and on and on. Here's a write-up that appeared in *Variety* in which Tucson gets some love:

Variety

Frankie Muniz, Alison Eastwood Join Western in Arizona (EXCLUSIVE)

'Hot Bath' sequel shooting in Tucson



Dave McNary

Film Reporter [@Variety_DMcnary](#)

Frankie Muniz, Alison Eastwood and Robert Patrick have come on board the sequel to the indie Western "Hot Bath an' a Stiff Drink."

Muniz is portraying a deputy on the project, which is currently shooting in Tucson, Az. Earlier this week, the former "Malcolm in the Middle" star disclosed he had recently suffered his second mini-stroke.

"Almost a year to the day, I experienced another mini stroke," he tweeted. "Hopefully that will be the last. Miserable."

Jeffery Patterson is producing the Western through his Once Upon a Dream Productions and Matthew Gratzner is directing. He made his feature debut with the first "Hot Bath and a Stiff Drink" earlier this year after working on the visual effect on "Hugo" and "Iron Man."



Eastwood, the daughter of Clint Eastwood, is portraying a doctor. Her part was written specifically for her after she appeared in producer Patterson's "Finding Harmony" with Billy Zane.

The story is set in the 1890s and filming at Old Tucson Studios and surrounding areas through mid-December.

The people doing the heavy lifting to get them here, and keep them happy are Pete Mangelsdorf from Old Tucson, and Shelli Hall from the VisitTucson Film Office. I had lunch with the guy who bought the rights to the film (Jeffrey Patterson – also has the starring role) and we talked about the possibility of them returning for the trilogy shoot next spring. It's a business decision at his end. I've already booked a meeting with some of our City economic development folks and Attorney's to talk about what sorts of incentives we can offer locally without getting cross-wise with the Gift Clause. That meeting will take place next week.

As with the Guaymas item, we've got to get aggressive about this or we'll keep losing major motion pictures and television episodes to neighboring States. How about Texas getting both our Mexican trade and our films. Not a pretty thought.

More Private Sector Successes

On Monday we made two more important steps forward in terms of job creation. One was authorizing a 3rd party economic analysis on an incentive application by Mister Car Wash, and the other was authorizing negotiations for a Primary Jobs Incentive agreement with Modular Mining Systems.

Mister Car Wash is looking at moving into the old Baptist Church educational building on 222 E. 5th Street. It has been vacant since 2007. Right now, MCW has their corporate headquarters out in the foothills, in unincorporated Pima County. With this move, they'll bring 72 positions into the City. The new location will allow them to increase their operation by another 40 jobs with an average salary of bumping \$80K annually. The analysis we authorized will show whether or not the tax incentives we're offering meet the State Constitutional Gift Clause test of returning more to the taxpayers than we're giving to help them make the move. If so, this will be a wonderful new use for the space.

Modular Mining has applied for our Primary Jobs Incentive Program. They qualify if what

they're proposing includes at least a \$5M investment in new or expanded facilities, the creation of 25 new jobs that pay an average of \$52K annually, and that the operation overall pays local employees an average wage of at least \$45K. They also must pay 75% of the employee health premiums. In exchange, they'll get City building permit fees waived, and we'll allocate their construction sales taxes to some combination of on or off-site public infrastructure, job training for new or existing employees or offsets to impact fees. What Modular is planning (build-out of a new 31,000 sq/ft bldg.) meets the qualifying criteria. We gave the go-ahead to staff to begin negotiating the development agreement.

These two items, the Film incentives and Mexican commerce are how we're going to successfully address our budgetary issues – not reducing services and/or laying off workers.

And coming to a close is one of the first projects we included some of these incentives as aids to get the work kick-started. One East Broadway is the mixed use project that sits at the corner of Broadway and Stone. PAG/RTA is moving in near the first of the year as the anchor tenant. In addition they'll have a restaurant on the ground floor, other retail and office spaces incorporated on site, parking and some residential rentals. It's this sort of build-out that will yield back to us tax revenues to help support the budgetary challenges we're facing.



All of these must pass the Gift Clause test – we're not allowed, by law, to offer incentives, the value of which exceeds the revenues the project returns to the taxpayers. And in the near term, you'll see us building on these successes with more development in the downtown core.

ParkWise

Donovan Durband used to work with us in the Ward 6 office. He moved onto running the ParkWise department under TDOT's umbrella. But because of the many parking related issues we have to address, largely as a result of the vigorous growth we're seeing in and around the downtown core, we stay in close touch with him.

In recent weeks, we've noticed his demeanor was becoming a bit droopy. We discovered that he was concerned with budget issues, and how somebody had been running off with some of the PW traffic control devices. We think we've found the culprit – his name is...

Scout:



We don't want to jump to any conclusions, especially so close on the heels of Halloween, but we think this might be a lead Donovan might want to check out. Knowing how tough our budgetary condition is (see opening segment of the newsletter) we want to help any of our staffers who may feel at a loss for how to control unforeseen costs.

Animal Welfare Alliance of Southern Arizona

At the end of the recent election campaign, I had a bit over \$4,400 left in the account. Campaign rules allow those dollars to be donated to a non-profit organization. Still not happy over our not having amended our IGA with the County and earmarking money to the AWASA spay/neuter program, I decided to send those left-over dollars to them and have it earmarked for the spay/neuter services they offer.

There are several veterinarians who participate in the free/low cost spay/neuter work with AWASA. You can find out which ones are by going to AWASA.org.

Prior to finalizing the decision on where to send the money, I spoke with Tammi Barrick, one of the AWASA principles. She confirmed that the needs far outpace the resources we've allocated. In fact, the issue is now so under water in terms of our ability to stay ahead of it that they're using the funds provided by donors directly for the spay/neuters, and not looking openly for public education funds. The priority is getting the animals fixed.

Thanks to all who have supported the campaign. I hope you'll approve of this use for the excess funds. I believe it's a public health and safety issue, not to mention one that will keep thousands of animals from being euthanized due to lack of shelter space. I'm still hopeful that we can carve out some money at the City level next fiscal year to keep their funding levels up and healthy.

Perkins Act

We get updates on legislation that's being considered and/or moved on at both the State and Federal levels. Occasionally we take a position on some of it. That's the case with the Perkins Act.

Right now in Congress they're considering reauthorizing funding that will be directed to career and technical programs. The bill is named the Perkins Act. If authorized, it'd touch five basic areas:

- State Grant programs
- Tech prep grant programs
- Tribally controlled postsecondary career and technical institutions grant programs
- National tech programs
- Occupational and Employment information programs

The part of that most directly related to us is the first one – grant money aimed at supporting career training in voc.tech. programs that will be allocated from the State. Last week I wrote in relation to JTED and voc. ed. (teacher of the year) that trade fields should not be considered second tier career options. They're the absolutely correct direction for many people. We voted on Monday to have our D.C. team let our Congressional representation know that we're fully behind the reauthorization.

Historic Signs



A couple of years ago we amended our sign code to allow for rehab and restoration of signs designated as historic. There are criteria built into how a sign gains that status, and conditions related to it having to stay on site, or be moved to a site in which there's a cluster of similarly designat-



ed signs. My bias would be to allow rehabilitation of these regardless of where they're located in the City. I think they're fun and that we'd gain a unique aesthetic if we let people rehab them. For example, there's an old Fitzgerald Color TV King sign near Campbell and Grant. In its present condition, it's an eyesore. If restored, it could be cool and reminiscent – if the current building owner wanted to keep it. But that's a different discussion...

What we did on Monday was to approve an extension of the historic sign code as the rules are presently written. The two shown above (Hotel Congress and the Diving Girl) are examples of restored signs that add to the character of the areas in which they're found. Others that you may recognize are the El Con sign, Coronado Hotel, Wayward Winds and Sparkle Cleaners. They're a part of our history and I'm glad we kept the options open for more businesses to take part in restoring theirs.

Palo Verde Neighborhood Annual Food Drive (and \$\$)

There are approximately 140 youth attending Catalina Magnet High School who are a part of the Youth On Their Own project. They're all representing families who could use a bit of a helping hand this time of year. Most of us are in a position to help.

As they do each year, the Palo Verde neighborhood folks are gathering food and cash donations to help the YOTO group fill their pantries with canned and packaged food. They can

take fresh food, too, but I'll ask that you contact them directly to get the specifics on how to take care of that.

Donations will be taken from December 7th through the 16th. You'll see decorated boxes at the following locations:

- 3688 E. Fairmount
- 1640 N. Country Club
- (Dr. Stolcis' Dentist hrs: M & T 7:30A-5P; W & TH 7:30A-4P; F 8:30-10:30A)
- 1902 N. Winstel
- 3201 E Seneca (M-F 8A-6P; SAT 9A-5P)

To donate cash you can either go or mail to 3412 E. Fairmount (85716).

Last year they collected over 2100 lbs of food, and \$775 in cash donations. If you'd like more information you can email them at: paloverdena@gmail.com

Sincerely,



Steve Kozachik
Council Member, Ward 6
ward6@tucsonaz.gov

Events Calendar

What's happening this week in the Downtown, 4th Avenue, and Main Gate areas . . .

Rialto Theatre, 318 E. Congress St.
Friday, December 6th 7:00 PM **Tedx Tucson**
<http://www.rialtotheatre.com/>

Fox Theatre, 17 W. Congress St.
Friday, December 6th 7:30 PM **Festival de Navidad: A Christmas Celebration**
www.FoxTucsonTheatre.org

Leo Rich Theater 260 S. Church Ave
December 11th 7:30 pm **Arizona Friends of Chamber Music: Fry Street Quartet**
www.ArizonaChamberMusic.org

Stuff-the-Bus

"Stuff-The-Bus" will be held from 6 a.m. to 6 p.m. on Friday, December 6, at the following locations:
O'Rielly Chevrolet, 6160 E. Broadway Blvd., west of Wilmot Road

Watson Chevrolet, 625 Auto Mall Dr.

Sun Tran and KGUN 9 Television have joined forces for the annual “Stuff-The-Bus” campaign to benefit the Salvation Army’s Christmas Gift Distribution Program. The community is encouraged to contribute new unwrapped toys to the donation drives. Cash contributions will also be accepted.

Tucson Museum of Art, 140 N. Main Ave.

“Art on Tap”

Saturday, December 7th 6-10 PM ART on TAP will be a night filled with delicious, local beers, inspiring art from local artists, interactive art experiences, live music and hunger busting food trucks.

www.TucsonMuseumofArt.org

Ongoing

Loft Cinema 3233 E. Speedway

www.loftcinema.com/

Jewish History Museum, 564 S. Stone Ave.

The Jewish History Museum presents "Cowboys, Merchants, Miners, & Booze," an exhibit that celebrates the lives of Tucson's Jewish pioneers.

www.jewishhistorymuseum.org

Children's Museum Tucson, 200 S. 6th Ave.

Tuesday - Friday: 9:00am - 5:00pm; Saturdays & Sundays: 10:00am - 5:00pm

www.childrensmuseumtucson.org

Arizona State Museum 1013 E. University Blvd

November 9, 2013, through July 2015 “Curtis Reframed: The Arizona Portfolios”

www.statemuseum.arizona.edu

UA Mineral Museum 1601 E University Blvd

Ongoing “100 Years of Arizona’s Best: The Minerals that Made the State”

Southern Arizona Transportation Museum 414 N Toole Ave.

Explore regional transportation history, and see a freight trains passing by, or ring the locomotive bell at the Southern Arizona Transportation Museum every Saturday, year round.

Tuesday – Thursday, Sunday: 1100am - 3:00pm; Friday & Saturdays: 10:00am - 4:00pm

<http://www.tucsonhistoricdepot.org/>

Sacred Machine Museum & Curiosity Shop 245 E Congress St

<http://sacredmachine.com/>

Meet Me at Maynards

A social walk/run through the Downtown area

Every Monday, rain or shine, holidays too!

Maynards Market and Kitchen, 400 N. Toole Avenue, the historic train depot

Check-in begins at 5:15pm.

www.MeetMeatMaynards.com

For other events in the Downtown/4th Avenue/Main Gate area, visit these sites:

www.MainGateSquare.com

www.FourthAvenue.org

www.DowntownTucson.org